

3-6-01  
cm

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

B

W-01275A WATER  
BERNEIL WATER COMPANY  
PO BOX ~~60084~~ 219  
~~PHOENIX~~ AZ 85082-0000  
TEMPE 85280-0219

ARIZONA CORPORATION  
COMMISSION

RECEIVED  
MAR - 6 2001

Director of Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

|    |    |      |
|----|----|------|
| 12 | 31 | 2000 |
|----|----|------|

FOR COMMISSION USE

|        |    |
|--------|----|
| ANN 04 | 00 |
|--------|----|

## COMPANY INFORMATION

|   |                             |                                    |  |
|---|-----------------------------|------------------------------------|--|
| <b>Company Name (Business Name)</b> <u>BERNEIL WATER CO</u> |                             |                                    |  |
| <b>Mailing Address</b> <u>P.O. BOX 219</u>                  |                             |                                    |  |
| (Street)  |                             |                                    |  |
| <u>TEMPE</u>  | <u>AZ</u>                   | <u>85280</u>                       |  |
| (City)  | (State)                     | (Zip)                              |  |
| <u>480-966-0115</u>   | <u>480-947-7542</u>         | <u>-</u>                           |  |
| Telephone No. (Include Area Code)                           | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |  |
| <b>Email Address</b> <u>NONE</u>                            |                             |                                    |  |
| <b>Local Office Mailing Address</b> <u>SAME</u>             |                             |                                    |  |
| (Street)  |                             |                                    |  |
| (City)  |                             |                                    |  |
| (State)   |                             |                                    |  |
| (Zip)   |                             |                                    |  |
| <b>Local Office Telephone No. (Include Area Code)</b>       |                             |                                    |  |
| <b>Fax No. (Include Area Code)</b>                          |                             |                                    |  |
| <b>Pager/Cell No. (Include Area Code)</b>                   |                             |                                    |  |
| <b>Email Address</b>  |                             |                                    |  |

## MANAGEMENT INFORMATION

|  |                             |                                    |  |
|--|-----------------------------|------------------------------------|--|
| <b>Management Contact:</b> <u>REY MITCHELL</u> |                             |                                    |  |
| (Name)   |                             |                                    |  |
| <u>MGR</u>                                     |                             |                                    |  |
| (Title)  |                             |                                    |  |
| <u>P.O. BOX 219</u>                            |                             |                                    |  |
| (Street)                                       |                             |                                    |  |
| <u>TEMPE</u>                                   | <u>AZ</u>                   | <u>85280</u>                       |  |
| (City)   | (State)                     | (Zip)                              |  |
| <u>480-966-0115</u>                            | <u>480-947-7542</u>         | <u>-</u>                           |  |
| Telephone No. (Include Area Code)              | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |  |
| <b>Email Address</b>                           |                             |                                    |  |
| <b>On Site Manager:</b> <u>SAME</u>            |                             |                                    |  |
| (Name)   |                             |                                    |  |
| (Street)                                       |                             |                                    |  |
| (City)   |                             |                                    |  |
| (State)  |                             |                                    |  |
| (Zip)  |                             |                                    |  |
| <b>Telephone No. (Include Area Code)</b>       |                             |                                    |  |
| <b>Fax No. (Include Area Code)</b>             |                             |                                    |  |
| <b>Pager/Cell No. (Include Area Code)</b>      |                             |                                    |  |
| <b>Email Address</b>                           |                             |                                    |  |

**Statutory Agent:** NEIL FOLKMAN  
(Name)  
2422 E. PALO VERDE PHOENIX AZ 85016  
(Street) (City) (State) (Zip)  
480-966-5804 - -  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Street) (City) (State) (Zip)  
\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE             | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM              | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA                | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI             | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

COMPANY NAME

UTILITY PLANT IN SERVICE

| Acct.<br>No. | DESCRIPTION                            | Original<br>Cost (OC) | Accumulated<br>Depreciation<br>(AD) | O.C.L.D.<br>(OC less AD) |
|--------------|--|-----------------------|-------------------------------------|--------------------------|
| 301          | Organization                           |                       |                                     |                          |
| 302          | Franchises                             |                       |                                     |                          |
| 303          | Land and Land Rights                   | 400                   | 0                                   | 400                      |
| 304          | Structures and Improvements            | 26330                 | 15133                               | 11197                    |
| 307          | Wells and Springs                      | 244682                | 140630                              | 104052                   |
| 311          | Pumping Equipment                      | 271,730               | 148831                              | 122899                   |
| 320          | Water Treatment Equipment              |                       |                                     |                          |
| 330          | Distribution Reservoirs and Standpipes | 234740                | 134916                              | 99824                    |
| 331          | Transmission and Distribution Mains    | 750652                | 431436                              | 319216                   |
| 333          | Services                               |                       |                                     |                          |
| 334          | Meters and Meter Installations         | 114054                | 64844                               | 49210                    |
| 335          | Hydrants                               | 9657                  | 5550                                | 4107                     |
| 336          | Backflow Prevention Devices            |                       |                                     |                          |
| 339          | Other Plant and Misc. Equipment        | 15003                 | 8623                                | 6380                     |
| 340          | Office Furniture and Equipment         | 3443                  | 172                                 | 3271                     |
| 341          | Transportation Equipment               |                       |                                     |                          |
| 343          | Tools, Shop and Garage Equipment       |                       |                                     |                          |
| 344          | Laboratory Equipment                   |                       |                                     |                          |
| 345          | Power Operated Equipment               |                       |                                     |                          |
| 346          | Communication Equipment                |                       |                                     |                          |
| 347          | Miscellaneous Equipment                |                       |                                     |                          |
| 348          | Other Tangible Plant                   |                       |                                     |                          |
|              | <b>TOTALS</b>                          | <b>1,670,691</b>      | <b>950,135</b>                      | <b>720,556</b>           |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct.<br>No. | DESCRIPTION                            | Original<br>Cost (1) | Depreciation<br>Percentage<br>(2) | Depreciation<br>Expense<br>(1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301          | Organization                           |                      |                                   |                                  |
| 302          | Franchises                             | 400                  | 0                                 | 400                              |
| 303          | Land and Land Rights                   | 26 330               | 5                                 | 1 317                            |
| 304          | Structures and Improvements            | 244 082              | 5                                 | 12 204                           |
| 307          | Wells and Springs                      | 271 730              | 5                                 | 13 587                           |
| 311          | Pumping Equipment                      |                      |                                   |                                  |
| 320          | Water Treatment Equipment              | 234 740              | 5                                 | 11 737                           |
| 330          | Distribution Reservoirs and Standpipes | 750 652              | 5                                 | 37 533                           |
| 331          | Transmission and Distribution Mains    |                      |                                   |                                  |
| 333          | Services                               | 114 054              | 5                                 | 5 703                            |
| 334          | Meters and Meter Installations         | 9657                 | 5                                 | 483                              |
| 335          | Hydrants                               |                      |                                   |                                  |
| 336          | Backflow Prevention Devices            | 15 003               | 5                                 | 750                              |
| 339          | Other Plant and Misc. Equipment        | 3 443                | 5                                 | 172                              |
| 340          | Office Furniture and Equipment         |                      |                                   |                                  |
| 341          | Transportation Equipment               |                      |                                   |                                  |
| 343          | Tools, Shop and Garage Equipment       |                      |                                   |                                  |
| 344          | Laboratory Equipment                   |                      |                                   |                                  |
| 345          | Power Operated Equipment               |                      |                                   |                                  |
| 346          | Communication Equipment                |                      |                                   |                                  |
| 347          | Miscellaneous Equipment                |                      |                                   |                                  |
| 348          | Other Tangible Plant                   |                      |                                   |                                  |
|              | <b>TOTALS</b>                          | <b>1 670 691</b>     |                                   | <b>83,515</b>                    |

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME

## BALANCE SHEET

| Acct.<br>No. |   | BALANCE AT<br>BEGINNING OF<br>YEAR | BALANCE AT<br>END OF<br>YEAR |
|--------------|---|------------------------------------|------------------------------|
|              | <b>ASSETS</b>                               |                                    |                              |
|              |   |                                    |                              |
|              | <b>CURRENT AND ACCRUED ASSETS</b>           |                                    |                              |
| 131          | Cash  | \$ 135 553                         | \$ 147 850                   |
| 134          | Working Funds                               |                                    |                              |
| 135          | Temporary Cash Investments                  |                                    |                              |
| 141          | Customer Accounts Receivable                |                                    |                              |
| 146          | Notes/Receivables from Associated Companies |                                    |                              |
| 151          | Plant Material and Supplies                 |                                    |                              |
| 162          | Prepayments                                 |                                    |                              |
| 174          | Miscellaneous Current and Accrued Assets    |                                    |                              |
|              | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 135 553                         | \$ 147 850                   |
|              |   |                                    |                              |
|              | <b>FIXED ASSETS</b>                         |                                    |                              |
| 101          | Utility Plant in Service                    | \$ 1 651 899                       | \$ 1 670 691                 |
| 103          | Property Held for Future Use                |                                    |                              |
| 105          | Construction Work in Progress               |                                    |                              |
| 108          | Accumulated Depreciation – Utility Plant    | 866 620                            | 950 135                      |
| 121          | Non-Utility Property                        |                                    |                              |
| 122          | Accumulated Depreciation – Non Utility      |                                    |                              |
|              | <b>TOTAL FIXED ASSETS</b>                   | \$ 7 85 279                        | \$ 720 556                   |
|              |   |                                    |                              |
|              | <b>TOTAL ASSETS</b>                         | \$ 920 832                         | \$ 868 406                   |

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

**BALANCE SHEET (CONTINUED)**

| Acct.<br>No. |   | BALANCE AT<br>BEGINNING OF<br>YEAR | BALANCE AT<br>END OF<br>YEAR |
|--------------|---|------------------------------------|------------------------------|
|              | <b>LIABILITIES</b>                                |                                    |                              |
|              | <b>CURRENT LIABILITIES</b>                        |                                    |                              |
| 231          | Accounts Payable                                  | \$                                 | \$                           |
| 232          | Notes Payable (Current Portion)                   |                                    |                              |
| 234          | Notes/Accounts Payable to Associated Companies    |                                    |                              |
| 235          | Customer Deposits                                 |                                    | 600                          |
| 236          | Accrued Taxes                                     |                                    |                              |
| 237          | Accrued Interest                                  |                                    |                              |
| 241          | Miscellaneous Current and Accrued Liabilities     |                                    |                              |
|              | <b>TOTAL CURRENT LIABILITIES</b>                  | \$                                 | \$ 600                       |
|              | <b>LONG-TERM DEBT (Over 12 Months)</b>            |                                    |                              |
| 224          | Long-Term Notes and Bonds                         | \$ 78 721                          | \$ 76 581                    |
|              | <b>DEFERRED CREDITS</b>                           |                                    |                              |
| 251          | Unamortized Premium on Debt                       | \$                                 | \$                           |
| 252          | Advances in Aid of Construction                   | 95 587                             | 91 539                       |
| 255          | Accumulated Deferred Investment Tax Credits       |                                    |                              |
| 271          | Contributions in Aid of Construction              | 117 858                            | 117 858                      |
| 272          | Less: Amortization of Contributions               | 11 224                             | 16 836                       |
| 281          | Accumulated Deferred Income Tax                   |                                    |                              |
|              | <b>TOTAL DEFERRED CREDITS</b>                     | \$ 202 224                         | \$ 192 561                   |
|              | <b>TOTAL LIABILITIES</b>                          | \$                                 | \$                           |
|              | <b>CAPITAL ACCOUNTS</b>                           |                                    |                              |
| 201          | Common Stock Issued                               | \$ 25 000                          | \$ 25 000                    |
| 211          | Paid in Capital in Excess of Par Value            |                                    |                              |
| 215          | Retained Earnings                                 | 614 890                            | 573 664                      |
| 218          | Proprietary Capital (Sole Props and Partnerships) |                                    |                              |
|              | <b>TOTAL CAPITAL</b>                              | \$ 639 890                         | \$ 598 664                   |
|              | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 920 832                         | \$ 868 406                   |

COMPANY NAME

## COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES                        | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------|--------------|
| 461       | Metered Water Revenue                     | \$ 549,652 | \$ 637,887   |
| 460       | Unmetered Water Revenue                   |            |              |
| 474       | Other Water Revenues                      | 5612       | 5612         |
|           | <b>TOTAL REVENUES</b>                     | \$ 555,264 | \$ 643,499   |
|           |   |            |              |
|           | <b>OPERATING EXPENSES</b>                 |            |              |
| 601       | Salaries and Wages                        | \$ 122,373 | \$ 129,531   |
| 610       | Purchased Water                           | 56,392     | 80,591       |
| 615       | Purchased Power                           | 53,441     | 51,945       |
| 618       | Chemicals                                 | 785        | 801          |
| 620       | Repairs and Maintenance                   | 15,494     | 57,932       |
| 621       | Office Supplies and Expense               | 7,642      | 8,717        |
| 630       | Outside Services                          | 55,320     | 58,200       |
| 635       | Water Testing                             | 5,100      | 5,676        |
| 641       | Rents                                     | 10,200     | 10,800       |
| 650       | Transportation Expenses                   | 248        | 422          |
| 657       | Insurance – General Liability             | 2424       | 4402         |
| 659       | Insurance - Health and Life               |            |              |
| 666       | Regulatory Commission Expense – Rate Case |            |              |
| 675       | Miscellaneous Expense                     | 17,931     | 72,597       |
| 403       | Depreciation Expense                      | 82,595     | 83,515       |
| 408       | Taxes Other Than Income                   | 39,912     | 43,356       |
| 408.11    | Property Taxes                            | 21,496     | 21,555       |
| 409       | Income Tax                                | 0          | 49,962       |
|           | <b>TOTAL OPERATING EXPENSES</b>           | \$ 491,353 | \$ 680,002   |
|           |   |            |              |
|           | <b>OTHER INCOME/EXPENSE</b>               |            |              |
| 419       | Interest and Dividend Income              | \$         | \$           |
| 421       | Non-Utility Income                        | 45,959     |              |
| 426       | Miscellaneous Non-Utility Expenses        |            |              |
| 427       | Interest Expense                          | 9,071      | 4723         |
|           | <b>TOTAL OTHER INCOME/EXP</b>             | \$ 36,888  | \$ 4723      |
|           |   |            |              |
|           | <b>NET INCOME/(LOSS)</b>                  | \$ 100,799 | \$ <41,226>  |



COMPANY NAME

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

|                        | LOAN #1                | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|------------------------|---------|---------|---------|
| Date Issued            | 8-1-95                 |         |         |         |
| Source of Loan         | TOWN OF<br>P. V        |         |         |         |
| ACC Decision No.       |                        |         |         |         |
| Reason for Loan        | PURCHASE<br>WATER LINE |         |         |         |
| Dollar Amount Issued   | \$ 86,137              | \$      | \$      | \$      |
| Amount Outstanding     | \$ 74,313              | \$      | \$      | \$      |
| Date of Maturity       | 8-31-19                |         |         |         |
| Interest Rate          | 6%                     |         |         |         |
| Current Year Interest  | \$ 4723                | \$      | \$      | \$      |
| Current Year Principle | \$ 2140                | \$      | \$      | \$      |

Meter Deposit Balance at Test Year End

\$

- 0 -

Meter Deposits Refunded During the Test Year

\$

- 0 -

COMPANY NAME

## WATER COMPANY PLANT DESCRIPTION

### WELLS

| ADWR ID Number | Pump Horsepower | Pump Yield (Gpm) | Casing Size (inches) | Meter Size (inches) |
|----------------|-----------------|------------------|----------------------|---------------------|
| 55-609543      | 100             | 400              | 12                   | 4                   |
| - 627600       | 350             | 1300             | 18                   | 8                   |
| - 551370       | 300             | 600              | 14                   | 6                   |
|                |                 |                  |                      |                     |
|                |                 |                  |                      |                     |
|                |                 |                  |                      |                     |

### OTHER WATER SOURCES

| Name or Description   | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|-----------------------|----------------|--|
| PURCHASE CAMELBACK GC | 1800           | 285,797,000                                  |
| " CITY OF SCOTTSDALE  | 550            | -0-  |

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| 40            | 3        | 86                |                |
| 30            | 1        |                   |                |
| 20            | 1        |                   |                |
|               |          |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
| 100,000       | 2        | 5000           | 3        |
| 135,000       | 1        |                |          |
|               |          |                |          |
|               |          |                |          |

## STATISTICAL INFORMATION

|                              |                    |         |
|------------------------------|--------------------|---------|
| Total number of customers    | <u>516</u>         |         |
| Total number of gallons sold | <u>382,564,000</u> | gallons |

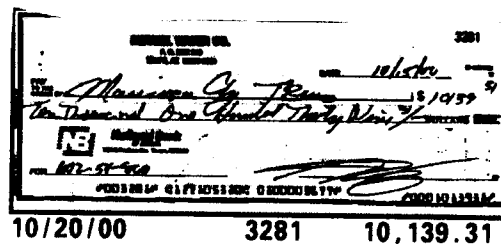
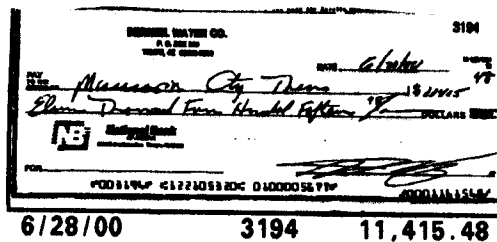
COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2000

PROPERTY TAXESAmount of actual property taxes paid during Calendar Year 2000 was: \$ 21,555

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_



COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

|   |             |
|---|-------------|
| Federal Taxable Income Reported           | <u>9640</u> |
| Estimated or Actual Federal Tax Liability | <u>1444</u> |

|   |              |
|---|--------------|
| State Taxable Income Reported           | <u>18693</u> |
| Estimated or Actual State Tax Liability | <u>1489</u>  |

Amount of Grossed-Up Contributions/Advances:

|   |          |
|---|----------|
| Amount of Contributions/Advances        | <u>0</u> |
| Amount of Gross-Up Tax Collected        | <u>0</u> |
| Total Grossed-Up Contributions/Advances | <u>0</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE2/20/01  
DATENEIL R. FOLKMAN  
PRINTED NAMEV.P.  
TITLE

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2000

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

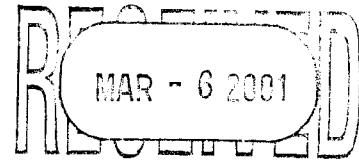
\$ \_\_\_\_\_

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

ARIZONA CORPORATION  
COMMISSION



**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|                                |                          |                       |
|--------------------------------|--------------------------|-----------------------|
| COUNTY OF (COUNTY NAME)        | <u>MARICOPA</u>          | Director of Utilities |
| NAME (OWNER OR OFFICIAL) TITLE | <u>NEIL FOLKMAN V.P.</u> |                       |
| COMPANY NAME                   | <u>BERNEIL WATER CO</u>  |                       |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|           |           |             |
|-----------|-----------|-------------|
| MONTH     | DAY       | YEAR        |
| <u>12</u> | <u>31</u> | <u>2000</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 643,499

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 43,356  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER \_\_\_\_\_

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

23rd

(SEAL)

MY COMMISSION EXPIRES



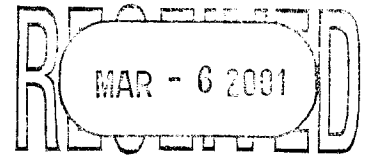
DATE OF EXPIRATION 2001  
LINDA K. FRAZIER  
NOTARY PUBLIC - ARIZONA  
MARICOPA COUNTY  
My Comm. Expires June 1

COUNTY NAME

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|  |                 |                       |
|--|-----------------|-----------------------|
| (COUNTY NAME) <u>MARICOPA</u>                |                 | Director of Utilities |
| NAME (OWNER OR OFFICIAL) <u>NEIL FOLKMAN</u> | TITLE <u>VP</u> |                       |
| COMPANY NAME <u>BERNEIL WATER CO</u>         |                 |                       |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|           |           |             |
|-----------|-----------|-------------|
| MONTH     | DAY       | YEAR        |
| <u>12</u> | <u>31</u> | <u>2000</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

|  |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES<br><u>\$ 632,265</u> |
|--|

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 42,576  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X [Signature]  
SIGNATURE OF OWNER OR OFFICIAL

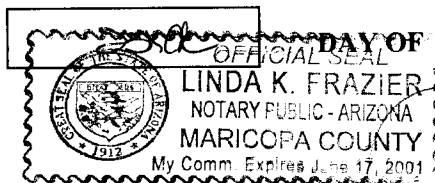
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)

MY COMMISSION EXPIRES



|  |              |
|--|--------------|
| NOTARY PUBLIC NAME <u>Linda K. Frazier</u> |              |
| COUNTY NAME <u>Maricopa</u>                |              |
| MONTH <u>February</u>                      | 20 <u>01</u> |

X [Signature]  
SIGNATURE OF NOTARY PUBLIC